

The HR team will need to continuously learn, grasp data, and communicate clearly while educating management and staff of the same.





THE CHANGING ROLE OF HR

BY HOLLY MAURER-KLEIN

I walk between the cubicles to reach my destination, a senior executive's office at this 500-person company. I smile and nod when I see employees, most of whose names I recognize on their nameplates from payroll records. As the HR director, I don't have the chance to come through this area as often as I would like. I feel bad that I don't know names without sneaking a peek at the nameplates on their cubicles, although I remind myself that I'm busy working behind the scenes on their behalf, creating policies and practices to improve the work environment.

“Here comes HR. Better be quiet!” someone hisses as I go by, intending for me to hear. I smile back tolerantly, but I’m secretly annoyed and a little hurt. This happens all the time, not just to me but to the rest of the HR team. Why are we still viewed as the enemy despite our hard work?

Skills for the job

I recently met with a college student who has been networking to determine whether an undergraduate major in HR will lead her to a career she will enjoy. “I talked to a consultant who’s been in HR for years, and he told me it’s the most underappreciated and difficult job in the company,” she tells me. “He said I will never get the money or respect other functions have. He told me to become an accountant.” She asks if I agree.

I tell her that he’s right. HR is underappreciated. An HR director usually earns less than an accounting director—and takes a lot more flack. The 2005 *Fast Company* article “Why We Hate HR” sums it up: “The human-resources trade long ago proved itself, at best, a necessary evil — and at worst, a dark bureaucratic force that blindly enforces non-sensical rules, resists creativity, and impedes constructive change.”

But much has changed in the 14 years since that article was written, and here’s the good news for someone entering the field in 2019: HR, with unlimited access to information and a handle on the most pressing issue facing executives today—how to find and keep people in a tight labor market—has the power, authority, and influence to significantly have an impact on the company’s bottom line.

“So how do I know if my skills fit the job?” the student asks. She tells me she has good public speaking skills, is well organized, and is a good writer. I suggest she take some business courses—take an accounting class, learn how to read a balance sheet, understand the history of business. I also recommend that she study best practices and learn how to coach, counsel, and—most of all—train employees.

As far as soft skills, I ask her how she feels about forging ahead with no defined guidelines. There are no clear answers to the questions that HR professionals struggle with. They use their experience and knowledge to figure things out as they go—how much information to share, how much structure to impose in an ever-changing environment, which legal risks are worth taking and which are not. I explain that she needs to be comfortable with ambiguity, because people are complicated and

unpredictable—and so are organizations. Sometimes imposing structure on an organization that is amid growth and change can be challenging.

Impact

HR departments, originally called *personnel management*, began at the turn of the century in an effort to help management negotiate with labor. And the function is still useful today for that purpose. Richard Sica, a Clark Hill labor and employment attorney who routinely handles complex contract negotiations, tells me how critical HR is to a unionized company’s success.

“A good HR director knows the contract inside out,” he explains. “They also know when to call the lawyers and head off lawsuits before they begin.” He points out that truly outstanding HR professionals also train supervisors in the ins and outs of the contract. “New supervisors need to be taught the details of the contract. Up-to-date, mandatory training is critical.”

In companies that are not unionized, bridging the gap between employees and management is a big part of the job. The impact HR has often depends on the person the HR director reports to—preferably the person who is running the organization. “The HR function must be aligned with the leadership of a company,” says Jane Smith (name changed for privacy), an HR executive in a public financial services firm. “If you aren’t aligned with key stakeholders, you are not able to get things done.”

Some companies simply want HR to efficiently handle the documentation to keep them in compliance with a multitude of government regulations. In such workplaces, HR ensures that employees receive a comprehensive packet of information when they enter and exit the company, manages benefits and leave administration, and ensures that the company meets government reporting and filing requirements. The HR function needs someone who is detail-oriented and loyal, efficient and knowledgeable, and thoroughly grounded in the legal aspects of employment issues. These CEOs don’t want someone to tell them what’s wrong with the organization; they don’t want to spend money on HR; and most importantly, they don’t want to change anything.

Due to the growing recognition that turnover costs a significant amount of money, other CEOs want HR to hire people more quickly and keep them longer. They want help achieving big goals for growth or turnaround. They want a change agent, someone with ideas and energy and patience to make things happen. They want someone who questions the status quo.

So, let's imagine an HR director is working for a CEO who approves of what HR is doing and is getting things done. Here comes the second biggest challenge HR management faces: managers who resist the changes the company is trying to implement. Initiatives often fail or stir widespread resentment because there isn't support from middle management. And middle management can indirectly derail an initiative despite giving it lip service for the CEO's benefit. How does HR combat that challenge? Here are some guidelines based on my conversations with HR executives and my own experience throughout a career as a consultant and practitioner.

Resist isolation

Don't assume managers understand the value HR brings. The department often becomes isolated from the rest of the company; sometimes it is easier not to reach out to managers who may be difficult to work with because of their prior history with HR.

HR professionals often attend conferences about HR issues where their peers are speaking. Therefore, they should disseminate the information they receive, train managers and supervisors in what they have learned, and even invite managers and CEOs to these seminars. The HR team should build relationships with a broad cross-section of business people both inside and outside the organization.

Learn the business

HR's job is to help the company achieve its goals. To do that, the HR function needs to know what those goals are. When HR explains the reasons for a decision, rather than saying, "It's always been done this way" or "Our lawyer told us to do this," it should note the risks and the research that was done before suggesting the change.

Karen Bolden, senior vice president and chief people officer at Eat'n Park Hospitality Group, says that when she has to give bad news, such as an increase in health insurance premiums, she talks about the business necessity of the decision. "Managers and other employees are more likely to accept an increased cost if they understand the connection to the bottom line. In the end, they all want to keep the company healthy and keep their jobs."

Communicate the reasons for changes

This is where training professionals come in. HR professionals may know instinctively that a new HR information system will save money or feel strongly that a more flexible work schedule will

Pairing Training and HR

Explaining, enlightening, persuading, engaging, and, most important, connecting managers to employees. That's what training professionals do well, and those skills are critical to an HR team as it tries to move the organization forward. Teaching employees and managers how to manage employees and how to use the tools the HR team provides can help change transactional HR functions into transformational ones. Ensuring the successful launch and rollout of benefits offerings, online performance management, and payroll systems; and securing buy-in often depend on training. The training team will know how often training needs to occur and whether an online or face-to-face approach works best.

Increasing an HR function's credibility and impact often depends on its ability to translate complex legal concepts and statistical trends into quick snapshots for a busy executive team to justify policies that represent a shift in direction. Turnover and engagement are also significantly affected by the function's ability to help management with its biggest challenge: people issues.

If HR can train new and experienced managers to more efficiently select key performers, set goals, communicate bad news, mitigate conflict, and coach and counsel employees, there will be immediate bottom line effects. However, justifying a training budget is often challenging. A solution may be, for example, redeploying a training team that is performing technical or safety training elsewhere in the company. Or you may find an HR generalist on your team with an interest in training and the competencies needed. If you can't find a way to justify a new training hire by analyzing the cost of turnover and disengagement, a train-the-trainer program that provides certification and credentials to an HR team member may be a workable, if temporary, solution.

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lower turnover. They may realize that efforts to increase diversity will positively affect the company and understand that paying overtime when it is due will lower potential legal risks. But they often don't know how to make a case for it.

"HR should be asking themselves, 'How can we communicate it better?'" Sometimes it is simply about walking senior leaders through their frustration," Bolden explains. Smith echoes this: "If your compensation system creates behavior that is not in the best interests of the firm, you need to explain why that is. Explain the cost of being misaligned with the market. You need to communicate. And then communicate again—in town halls, team meetings, and by training supervisors."

HR should embed the change in every system, make it a part of performance reviews, and structure incentives and promotions based on the desired outcome.

Find and use the data

Smith says that data is "the most important thing that HR does. ... The problem is that HR people don't have the familiarity with statistics and accounting that they should in order to use it."

HR should know such data as each department's retention rate, the company's turnover rate, time to fill, why people leave and how they feel about the company after six months or a year, and how much it costs when someone walks out the door.

With those data, HR professionals should calculate how much the company could save by implementing solutions that could improve that turnover rate, engagement rate, or the time to fill—and justify an investment in those initiatives. Then measure the results to prove that hypothesis. Then communicate. There's a connection between employee commitment and profitability. HR must find out what it is for the company and then use it to justify mentorship programs, a flexible workforce, a change in the benefits plan, a change to the compensation strategy—whatever changes it is recommending.

"Finally," I tell the college student who is looking more and more interested in the field, "and perhaps most important, you need to be able to adapt. Organizations change quickly, priorities shift, and people change places. Being curious, observant, and flexible are critical competencies." She smiles at me. She has all of those qualities. It is an excellent start.

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